

# SARBAN DUTY FREE

## **Marketing Tools in Understanding a Market and Tackling a Growing Competition.**

### **Case: Sarban Duty Free Shop**

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**Submitted to:**

**Mr. Md. Tamzidul Islam**

**Senior Lecturer**

**BBS, BRACU**

**Internship Report**

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**December 24, 2014**

# Letter of Transmittal

Date: 24 December, 2014

To,

Mr. Md. Tamzidul Islam  
Senior Lecturer, School of Business  
BRAC University

Sub: Submission of Internship Report on "Marketing tools in understanding a market and tackling a growing competition. Case: Sarban duty free shop"

Dear Sir,

It is a pleasure for me to be able to complete and submit the internship report on the "Marketing tools in understanding a market and tackling a growing competition. Case: Sarban duty free shop". I have been working in this organization as an Executive (Sales & operation) since 2010, and when I was assigned for internship at the end of the MBA program, I chose this organization so that I can relate the theoretical aspects learnt from different courses, in MBA, with the practical scenario at my workplace.

I tried my best to comply with all the instructions provided to me and organize this report in such a way that it serves its purpose. I hope you would accept this report and find it as it was meant to be. I will be available anytime to explain you any queries regarding this report if necessary.

I thank you for providing all the support that I required for preparing this report.

Sincerely yours,

---

Majumder Isnad Ahmed  
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# Acknowledgement

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Thank you,

Majumder Isnad Ahmed

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## **Executive Summary**

When the market is new and immature, it's easy to compete as there are very few or no competitor to challenge you. But as the market starts to grow many new competitors arrive. Bangladesh duty free industry is growing fast. Earlier only Bangladesh Parjatan Corporation was permitted to open duty free shops in airport terminals. This industry was not open for private sector. Sarban Duty free was the first duty free shop to open the door for private duty free industry. As the opportunity for business was overflowing it was easy to earn customers. But as more private duty free shops are entering into the market, business is getting difficult. Now the application of marketing tools can help Sarban duty free to sustain the sales growth in this competitive market. In this report some suggestions are given which will help to explore the Bangladesh duty free industry. Moreover, some marketing tools are used to analyze the challenges that Sarban Duty Free is facing because of competition. It is also found that marketing strategy of Sarban Duty Free has been adjusted with the present competitive situation.

# Introduction

Sarban International started their journey as a duty free shop in the name of SARBAN DUTY FREE SHOP at Hazrat Shahjala Int. Airport, Dhaka on 2006. This is the first duty free shop run by a private company in Bangladesh. It has got the special bonded warehouse license under Custom's Act, 1969: clause 13.

Sarban Duty Free Shop reaches millions of travelers every day with its vast product assortment. Throughout its short span of time, Sarban Duty Free Shop has been committed to offer a wide variety of retail formats to appeal to the personal needs and tastes of vacationers and business travelers.

Because of it's many competitive advantages, Sarban Duty Free has got dynamic growth and positive financial performance from it's very beginning. But recently it has been facing enormous challenges from domestic competition. As a result of huge opportunity within the duty free industry many competitors have arrived in a short time. Sarban Duty Free has approximately 50 employees, who are the heart of the company.

In this report I have mentioned some recommendations as the key growth drivers including the development of new stores, variety in products, the introduction of innovative concept and last but not the least, the continuous improvement of customer service. Initiative from the top level management should come to take the advantages and face the challenges hard and make development of new duty free stores, enter in new market segments. Other things like acquisition and development of international brands, further possible acquisition of companies in the travel retail and related activities, as well as synergies with key players in purchasing, marketing and merchandising can be added to it's strategies. I did the different analysis for the company like the BCG Matrix and SWOT analysis. In SWOT analysis I have analyzed that how the weaknesses of the Sarban Duty Free can be overcome by using the strengths of the company. And how it can save itself from the threats by using available opportunities.

Moreover, I also tried to analyze the opportunities and lacking of this industry in Bangladesh. In analyzing this I compared our country with other's.

## HISTORY

### Concept of Duty Free Shopping

#### What Is Duty Free

If anyone is traveling internationally, he may shop "tax and duty free," buying items without having to pay either the sales tax (called Value Added Tax or VAT in many countries) or the customs duties assessed by the a country's customs authority – primarily on liquor and tobacco but also with many other products. The savings from Duty Free Shopping can be significant.

#### Duty Free Savings Compared to U.S. Domestic Prices

(savings may be more when compared to most other country's domestic prices)

Item	Savings in %
Liquor	25% to 50% (for Bangladeshi market 600%)
Tobacco	Upto 600% (for UK market700%)
Fragrances and Cosmetics	15% to 20%
Luxury gifts, Accessories, Watches	10% to 25%
Confection and Other Edibles	10% to 25%

Table: Savings by Purchasing from Duty Free

Most countries impose restrictions on the quantity of duty free merchandise you can bring in.

Duty Free Shops are often found in the international zone of international airports, sea ports or on board passenger ships. They are not as commonly available for road or train travelers, although several border crossings between the United States and Canada have duty-free shops for car travelers. Even now there are many private duty free shops in Bangladesh India borders for by road travelers. These outlets were abolished for travel within the European Union in 1999, but are retained for travelers whose final destination is outside the EU. They also sell to intra-EU travelers but with appropriate taxes. Some special member state territories such as Åland, Livigno and the Canary Islands, are within the EU but outside the EU tax union, and thus still continue duty-free sales for all travelers.

## **History of Duty Free Shop**

The world's first Duty Free shop was established at Shannon Airport in Ireland by Dr Brendan O'Regan in 1947 and is in service to this date. Designed to provide a service for Trans-Atlantic airline passengers typically travelling between Europe and North America whose flights stopped for refuelling on both outbound and inbound legs of their journeys, it was an immediate success and has been copied worldwide.

Duty free shopping was in its infancy when two American entrepreneurs, Charles Feeney and Robert Miller, created what is now Duty Free Shoppers (DFS) on 7 November 1960. DFS started operations in Hong Kong and spread to Europe and other places around the globe. Securing the exclusive concession for duty free sales in Hawaii in the early 1960s created a business breakthrough for DFS, and the company was positioned to focus on emerging Japanese travelers. DFS continued to innovate, expanding into off-airport duty free stores and large downtown Galleria stores and grew to become the world's largest travel retailer. In 1996, LVMH Moët Hennessy Louis Vuitton acquired the interests of Mr. Feeney and two other shareholders and today jointly owns DFS with Mr. Miller.



In this same period, several locales grew as duty free shopping destinations. They are exemplified by Saint Martin and the U.S. Virgin Islands in the Caribbean, Hong Kong and Singapore. Still others claim prices competitive to duty free. Generally, goods are free of duty and tax levied on imports for sale anywhere in the shopping destination. Merchants may pay inventory/business or other taxes, but their customers usually pay none directly. Buyers must declare all purchases (duty-free or otherwise) as they enter any duty-levying country.

The mere absence of duty or other taxes on goods being sold does not assure that they are bargains. Costs of identical goods from different duty-free sources can vary widely. They often depend on the presence or absence of nearby competition, e.g., airport stores, especially if all at any airport are owned by a single firm such as Dufry. Also, prices can often be driven upward by the costs of buyer convenience, e.g., in-flight sales by airlines.

### **Duty-free shopping away from ports**

Some duty free shops operate in central business districts away from airports or other ports. In Japan, for example, any visitor whose passport indicates that they have been in the country for less than six months can buy duty free items. Duty-free shops are also a mainstay in the Akihabara electronic shopping district of Tokyo.

In Thailand, the King Power chain has shops where duty-free items are pre-purchased and delivered separately to the airport to be picked up on departure. For certain other purchases, a VAT refund may be claimed at the airport upon departure.

In the Philippines, other than shop outlets in airports there is also Duty Free mall called Duty Free Fiesta Mall which is located a few miles away from the Ninoy Aquino Airport. The goods that are sold in this mall are often imported products which come from around the world (mainly from USA, Asia and Australasia) which are not found in any other shopping malls in the country

other than Duty Free malls. Most tourists, visitors and back-to-home citizens of Philippines pay a visit to these malls very often after their arrival (since, only arriving passengers can gain entry to the mall). In order to gain entry, a passport is needed to be presented and registered at the Customer Registration Counter which is located at the entrance of the mall. The customer will then be issued a shopping card, these shopping cards must be presented to the cashier for sales validation of purchases. Duty Free malls before used to only accept US Dollars and Philippine peso but in recent years, Duty Free malls had begun accepting Japanese Yen, Brunei Dollar, Australian Dollar, British Pound, Canadian Dollar, Swiss Franc, Saudi Riyal, Bahrain Dinar, and Thai Baht. Currency Exchange booths are also available inside the mall if a customer wishes to exchange currencies into Philippine peso or US Dollars. Credits cards can also be used for purchasing goods.

In Australia, duty-free shops have all but disappeared after the introduction of the GST in 2000. Currently, duty-free shops are nearly all located within international airports. Residents and tourists are now allowed to purchase virtually any physical good within 30 days of departure, which needs to be taken on the outward flight, and claim the GST component back through the Tourist Refund Scheme when passing through customs. Consumers are now free to fully use their items prior to departure. This is in contrast prior to 2000, where all purchases had to be packed by the duty-free store in a sealed clear plastic bag, and could only be broken open by customs staff just prior to departure.

### **Security considerations**

Travelers on long-haul routes with at least one transit stop between their departure airport and destination airport should be careful to purchase their duty free alcohol or perfume at the last transit port, as otherwise they may have it confiscated by security when they board at the transit port, as they will be exceeding the current limit on liquids in hand baggage. This does not apply to passengers transferring within the EU, Singapore and Croatia on the same day, as long as the liquid item is sealed in a plastic bag with the receipt showing in the bag. Arrivals Duty Free shops are now becoming more common. Most of South and Central America, and the Caribbean have such shops, as does SE Asia and Oceania. Switzerland and Canada are looking to introduce them in 2010, this method of retail removes any security problems for the transit of liquids as they are not carried on aircraft.

## **Inbound duty free**

Most of the countries (including Bangladesh), particularly Australia, Iceland, India, Kenya, New Zealand, Norway, Sri Lanka and the Philippines, have inwards duty free facilities, where arriving passengers can purchase duty free items immediately before going through customs. This not only saves the inconvenience of having to carry these items around the world but also solves the security problem mentioned above. In Israel items purchased before boarding the airplane can be stored in special storage units in order to retrieve them on your way back, thus also solving the problems mentioned above.

Other countries such as Canada, Sweden and Switzerland have been considering duty free on arrival.

## **Legal basis**

It is a common feature of most tax systems that taxes are not raised on goods to be exported. To do so would place the goods at a disadvantage to those from other countries. Either the tax system allows the goods to be exported without taxes (stored prior to export in a bonded warehouse), or taxes can be claimed back when they are exported.

Such exemption also applies to goods supplied for use on ships and aircraft, because they are consumed outside the country. Businesses supplying such goods can do so tax- and duty-free.

Goods sold to passengers on board ships or aircraft are tax free. The passenger can either consume them on board, or import them tax-free into the country they are traveling to, so long as they are within the traveler's Duty-free allowance. Most tax regimes also allow travelers entering a country to bring in a certain amount of goods for personal use without paying tax on them, the so-called "duty-free allowance"; because it is not economically justifiable to collect the small amounts of tax involved, and would be an inconvenience to the passengers.

A duty-free shop works under the same system. The goods must be exported intact (they cannot be consumed in the airport), and they are importing into the destination country under that country's own tax rules. In some countries, in order to ensure that goods are exported intact, they are hand-delivered in a closed bag to the passenger at the gate after his ticket is scanned. In the United States, some duty-free stores will sell their goods to domestic passengers with appropriate taxes included. Alcohol and tobacco products are restricted to international passengers only and subject to the age limitations of 21 and 18 respectively, even though the age one must be to import those items into other countries may be lower.

# **Profile of SARBAN INTERNATIONAL**

## **Overview**

Sarban International started their journey as a duty free shop in the name of SARBAN DUTY FREE SHOP at Hazrat Shahjala Int. Airport, Dhaka on 2007. This is the first and the only duty free shop run by a private company. It has got the special bonded warehouse license under Custom's Act, 1969: clause 13[1].

On October 11, 2007, the company was acquired by Mr. Humayun Kabir, Mr. Mohammed Mostafa Kamal and Mr. Alock Das. Sarban Duty Free Shop reaches millions of travelers every day with its vast product assortment. Throughout its short span of time, Sarban Duty Free Shop has been committed to offer a wide variety of retail formats to appeal to the personal needs and tastes of vacationers and business travelers.

License no: PB8010000107

Ref. License no: 336/CUS-PBW/2007

License Date: 06/02/2007

Ref. License Date: 05/02/2007

TIN: 0153002736                      Date: 27/12/2004

BIN: 5101063782                      Date: 23/12/2006

**Sale's outlet:** Duty Free Shop no: 4, Extended terminal-2, Hazrat Shahjala Int. Airport, Dhaka.

**Office Address:** House- 15, Block- H, Road- 10/B, Banani, Dhaka.

**Warehouse Address:** House- 15, Block- H, Road- 10/B, Banani, Dhaka.

## **Visions**

To become a leading duty free travel retailer & to play vital role in the development of the country & service so that sustainable growths, reasonable return & contribution to the development of the country can be ensured with a motivated & professional work force.

## **Mission Statement**

**Sarban International** is committed to become the best travel retailer in the nation based on our values.

### ***Customer Satisfaction***

To be the BEST, we provide an exceptional customer experience. CUSTOMERS ARE OUR MOST IMPORTANT ASSET.

### ***Associate Satisfaction***

To be the BEST, **Sarban International** must be the best place to work. TO OUR CUSTOMERS OUR ASSOCIATES ARE THE COMPANY.

### ***Accountability***

To be the BEST, we accept accountability for our actions and results.

### ***Continuous Improvement***

To be the BEST, we must continually examine, redefine and improve every operating process.

### ***Sense of Urgency***

To be the BEST, we take immediate and decisive action with appropriate follow-up.

### ***Integrity***

To be the BEST, we take pride in open communication and in conducting ourselves professionally by promoting fairness and honesty.

## **Corporate Slogan**

***SHOP: BEFORE U TAKE OFF!!!***

## **Corporate Division**



### **Chairman**

Mr. Alock Das

### **Managing Director**

Mr. Humayun Kabir

### **Director**

Mohammed Mostafa Kamal

### **Asst. Director**

Mr. Iqbal Hossain

### **Manager, Brand**

Dr. Asif Iqbal

### **Manager, Sales and Marketing**

Mr. Faisal Kabir

**Manager, Airport Shop**

Mr. Ziaur Rahman

**Management**

SDFS is managed by highly experienced people of this sector. Our Chairman Mr Alock Das is an well established Industrialist of this country. He has been working in related sectors with his Saber Traders Ltd [STL]. The Managing Director of SDFS Mr. Humayun Kabir is an agent of many famous brands [Chivas Brothers, Pernod Ricard, Camus, Delsey, Cross etc] in Bangladesh, who has decades of experience and multi discipline knowledge to his credit both at home and abroad. Our Director Mohammed Mostafa Kamal is well known for his Shakura Bar. These owners are supported by an educated and skilled professional team with diversified experience in related industries and businesses. The management of the SDFS constantly focuses on the understanding and anticipating customer's needs and offers solutions thereof. SDFS has already achieved tremendous progress within a short period of its operation. The SDFS is already ranked as the best among the other duty free shops in Bangladesh for it's quality service providing, huge range of choice among famous international brands & known for its reputation.



## Organizational Hierarchy

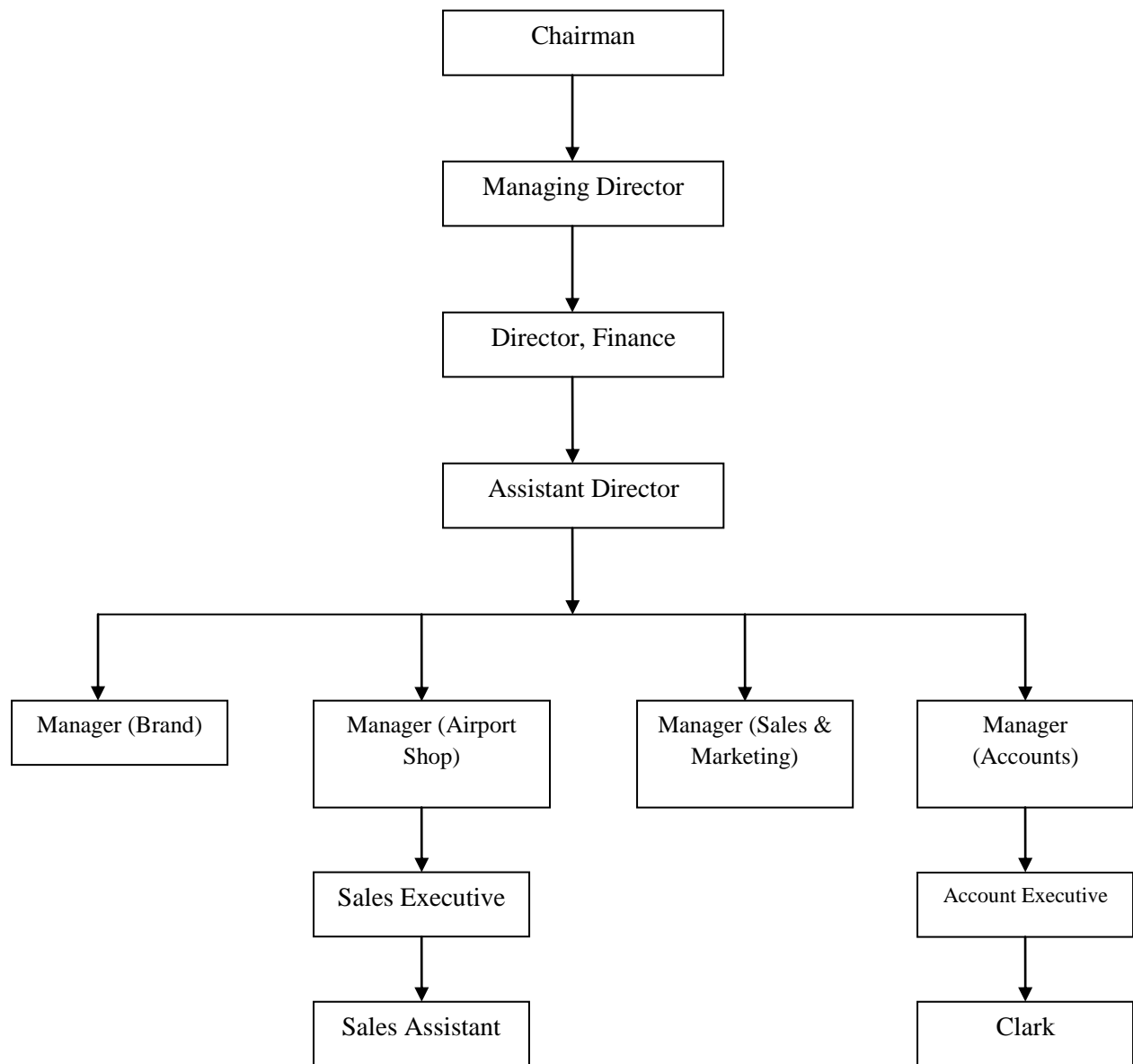


Figure: Organizational Hierarchies

# PRODUCTS

Sarban Duty Free offers a wide selection of fragrances, cosmetic items, elegant bags & suitcases, jewelry, gift items and travel-related merchandise from the highest quality brand names, as well as items that typically incur significant duties and taxes, such as liquor- alcoholic beverages, and tobacco- cigarettes & cigars.

## Alcoholic Beverage, Liquor

### 1. Whiskey

#### ➤ Scotch whiskey

##### ❖ Single malt whiskey

Glenlivet 12 Y.O.Malt, Glenlivet 15 Y.O.Malt, Glenlivet 18 Y.O.Malt, Glenlivet 21 Y.O.Malt, Caol Ila Malt, Taliskaer Malt, Glenkinchie malt, Laphroaig 10 Y.O.Malt, Glenmorangie 10. y.o, Glenfiddich 12.Y.o. Glenfiddich 15.Y.o, Glenfiddich 18.Y.o, Ardbeg, Oban, Bunnahavain, Tobermory etc.

##### ❖ Blended whiskey

J & B, Vat'69, John Haig,100 Pipers, Passport, Grants Family Reserve, Ballantines, Ballantines 12 Y.O, Ballantines 17 Y.O, Ballantines 21 Y.O, Ballantines 30 Y.O, Chivas Regal 12 Y.O, Chivas Regal 12 Y.O, Chivas Regal 18 Y.O, Chivas Regal 25 Y.O, Chivas Regal 12 Y.O, Chivas Regal 12 Y.O, Royal Salute 21 Y.O., Royal Salute 21 Y.O., Royal Salute 38 Y.O., J.W.Black Label, J.W.Red Label, J.W.Gold Label, J.W.Gold Label Reserve ,J.W.Green Label(Malt) J.W.Swing J.W.Blue Label J.W.Blue Label Dimple 15 Y.O. J.W.Gift Pak Black & White Teachers Teachers 12 Y.O. Sir Edwards Dewars 12. y.o

### ➤ **Canadian whiskey**

Canadian Club, Canadian Club 12 Y.O.

### ➤ **Irish whiskey**

Jameson, Jameson 12 Y.O.

### ➤ **Burban (American Whiskey)**

Jim Beam Black, Jack Daniels Black, Jack Daniel's Silver, Maker's Mark, Gentleman Jack.

## **2. Vodka**

Moskovskaya Absolut Vodak Citron Absolut Vodak Kulant Absolut Vodak Mandarin Absolut Vodak Peppar Absolut Vodak Ruby Red Absolut Vodka Raspberry Absolut Vodak Vanilla Absolut Vodak Apech Absolut Vodak Blue Absolut Vodak Mango Absolut Vodak 100 Lavel Vodak Absolut Brriqal Absolate Pears Smirnoff Red Smirnoff Blue Smirnoff Black Ciroc French Vodka Finlandia Imported Finlandia Lime Finlandia Mango Finlandia Cranberry Grey Goose Original Ultimate Vodka, Russian Standard Gold, Imperia, Roberto Cavalli, Gorbatschow, Pinky Botanic Votka.

## **3. Gin**

Beefeater Gin Seagram Gin Gordan's Dry Gin Tanquary Gin Bombay Sapphire

## **4. Tequila**

Jose Cuervo Gold Sauza Gold Tequila Sauza White Tequila Pepe Lapez White Pepe Lapez Gold Patron Anejo Taquila Patron Reposado Taquila Patron Silver Taquila Gran Patron Burdeos Taquila Patron Anejo Taquila Patron Reposado Taquila Patron Silver Taquila Platinum Taquila

## **5. Rum**

Malibu Rum Capt.Morgan Gold Capt.Morgan Black Angostura Dark Bacardi 8. y.o Bacardi Black Bacardi Breezer Orange Bacardi Breezer Watermelon Bacardi Limon Bacardi Oro Bacardi Razz Bacardi White Pyrat XO Reserve Rum

## **6. Cognac**

Martell V.S. Martell V.S.O.P. Martell X.O. Martell Cordon Blue Martell X.o Courvoisier V.S. Courvoisier V.S.O.P Courvoisier X.O. Comete Febert Ascott X.O. Camus X.O.(Elegance) Camus X.O.(Large Pack) G.P Chabanneau X.O. Camus Josephine Seraphin Cognac Camus Cool Jazz Berneroy Calvados Camus Cognac VS Camus Cognac VS Camus Cognac V.S.O.P Camus Cognac V.S.O.P Camus Nap Rare Old Camus Royal With Box Camus Tradition With Box Camus Jubilee With Box Camus After Bath Camus Asleep Camus Eveining Mood Hennessy Vs

## **7. Brandi**

Nepolian Bardinet Beehive V.S.O.P. Brandy XO

## **8. Appetizer**

Pernad Anis Ricard Anis Campari Cinzano Extra Dry Spumante Martini Bianco Martini Dry Martini Rosso Mateus Rose

## **9. Wine**

### ➤ **Red wine**

Jacob's Shiraz Wyndham Bin 555 Shiraz Wyndham Bin 888 Cab.Marlot Modus Toscana Rosso Nero Al Tondo Rosso Riserva Ducale Oro Riserva Ducale Chianti Classico Santedame Chianti Rosso Murotondo Orvieto Classico Chianti Docg Fiorentina IL Leo Chianti Superiore Torgaio Toscana IGT Di Syrah Iodola Nuova JL Ducale Toscana Rosso Ruffino Chianti Adet Bordeaux Adet Medoc Adet Gabaron Adet Chablis Adet Long Champs Adet Chateauneuf De Pepe Adet Macon Rouge Adet Beaujilais Adet Saint Emillion Extra AdetChateauneuf Peyrouley AdetChateauneuf Bel Air Raillon AdetChateauneuf Moulin De Prayere AdetChateauneuf Haut Florin Chet.La Hourcade Medoc Chet.Champ Des Rois Chet.Les Anguillers Chte.De Marcd Mont.St.Emillion Hakutsuru Sake Nederburg Manor house Cabernet Sauvignon Nederburg Wine MASTER Sauvignono Blanc Nederburg Wine Master Shiraz Nemiroff Lex Ventisquero Reserva Merlot

### ➤ **White wine**

Jacob's Chardonny Wyndham Bin 222 Chardonny Wyndham Bin 444 Cab.Sauv. Chianti Rosso Aziano La Solatia Chardonnay Libaio Chardonnay Ventisquero Reserva Chardonnay

### ➤ **Sparkling wine**

Henkell Troken Henkell Brut Martini Asti

## **10. Champaign**

G.H.Mum Cordon Rough Lanson Demi-Sec Lanson Black-Brut Lanson Half Bott.DemiSec Lanson Half Bott.Black Label Magnum Black Label Moet & Chandon Brut

## **11. Liquor**

Kahlua Coffee Liquor Tia Maria Balieys Irish Cream Southern Comfort Amarula Cream Dom  
Benedictine Bols Curacao Triple Sec Dom Perignon Drambuie Irish Mist

## **Perfume**

Coty Prestige

Marc Jacob's

Roberto Cavalli

212

Carolina Herarra

Nina Richi

Jennifer Lopez

Celvin Klein

BVLGARI

Salvato Ferragamo

Burberry

Paul Smith

Police

Zippo

Disney

## **Cigarette**

B & H

555

DUNHILL

ROTHMANS

SILK CUT

VOGUE

LUCKY STRIKE

DAVIDOFF

MARLBORO

L & M

Esse

Bohem

Yunyan

Hongtashan

Yuxi

Winston

Mevius

More

Dj rum black

Absolute ruby

## **Cigar**

VILLIGER

DAVIDOFF

King Edward

Neo's

Tycon

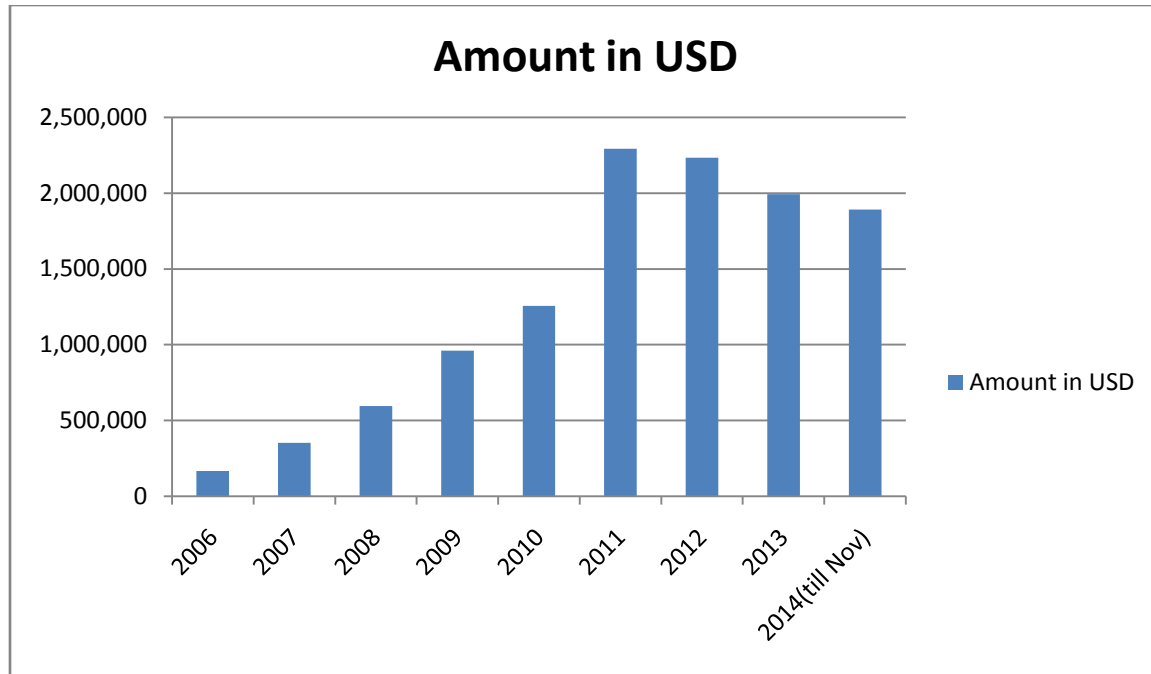
Loreal, The Body Shop, Delsey, Lambretta, cielo, Lifetrans, Travello Cross & Parker are the new brand names which have been added into the Sarban's product list. Some local leather goods and pearl items are also sold here.

## **Sales data**

Year	USD
2006	167,689
2007	351,749
2008	594,967
2009	960,030
2010	1,256,103
2011	2,293,420
2012	2,234,550
2013	1,993,386
2014(till Nov)	1,891,845



## Year to year sales



**Fig. Year to year sale**

## **Working Experience (Duties/ Responsibilities):**

I have been working in Sarban Duty Free as an executive (Sales & operation) for nearly five years. My main duty is to do works related with sales and operation. Here I am giving some little bit detail of these duties and responsibilities:

My main job is to deal with customers. Sometimes they are predetermined on what they will purchase. On the other hand most of the time they needed to be assist about product.

The second task was to do the survey on the sales of liquor, tobacco, luxury goods and I have completed this assignment with my full responsibility.

Mr. Ziaur Rahman, my boss demanded the report of these surveys from me. And I accomplished this report and presented to him.

My boss also consulted with me about the latest marketing and sales strategies and asked me for the modification in these strategies.

During my internship period, I had interaction with the customers and attracted the new customers for the company.

Making invoices and maintaining cash is another important job for me. As we are taking foreign currency from our customers, I needed to have enough knowledge and expertise on that thing.

I used to prepare monthly and daily sales and financial report for the company.

I had to maintain ledger book for stock position. For this I gave posting on these ledger books.

I provided requisition for new stocks that is required to maintain the sales flow.

Dealing with Bangladesh Customs was a task to learn in this field. As we are selling bonded items, we had a strong monitoring from the customs authority.

During my internship period, I visited some banks with the company's officer. During my visits I deal with the bank staff for following different tasks.

To deposit cheques and cash

To withdraw cash.

To collect Bank Statements

To transfer the amount.

For pay orders

For demand drafts. Etc

To stop Bank the payment of lost Cheque.

During my intern ship period I also use the tally (our sales software) to perform following tasks;

Make vouchers of Reciepts and Payments

Cheques to pay different Pays were also made by me.

I have also written different letters to officials of Sarban Duty Free and to other organizations and people for different purposes.

### **Learnings/ Achivements:**

The main purpose of internship is to get a practical experience in the market and to get some practical knowledge. Usually the period of internship is short but I could learn a lot as I have been working here for quiet long time. This was first time in my life when I was doing some reasonable and practical tasks. I have learnt a lot from the marketing staff like:

First thing I learnt from this period of job is punctuality. I learnt from this how to be in time in the company.

The second thing is dressing, professional dressing matters a lot. By seeing my seniors and colleagues I started to copy them in dressing.

It was a big achievement for me, that I learn how to do the work in team and group.

Communication with the customers and get their minds is very difficult task, but I have learnt how to communicate with the customers and how to get the new customers.

How to sit in professional people, how to look, how to talk and how to work is also learning for me.

I learnt from the organization that how to accomplish the tasks and the assignments which were assigned to me.

I learnt how to implement my MBA knowledge on this job. I learnt what the practical implementation of the book knowledge is.

I learnt how to present the products to customers and how to explain the characteristics of the product.

## **Skills Used and Acquired:**

To do any type of job a number of skills and abilities are necessary and when this job is professional then a man have to be perfect and have a lot of skills and abilities to perform any type of the task. In the finance field a man should have the ability to making and analyze any type of the account, can operate Microsoft office, long term writing capacity and proper dressing etc. and in human resources field a man should be in proper dressing, well presentation power, can handle the workers and punctual. Same like these I did the job in the sales and operation department and following are some of the skills needed and acquired:

The first and necessary skill for the marketing job is the communication power. The communication power should be very strong.

Ability to enforce and agree the customer to purchase our product by presenting the characteristics of the product.

A marketing officer should have the strong presentation power, so that he can present any topic against his executives.

Skills to operate new latest marketing and selling strategies to increase the sales of the company.

The ability to convince the company's new customers for the company.

The ability to make the advertisements and promotion for the products of the company.

The ability to make the conversation and bargaining with the customers.

## **Recommendation**

- ☒ Should do the invoicing with modern equipment
- ☒ Owners shouldn't look for the short term profit, rather they must think about long term profit.
- ☒ Should increase the salary of employees up to an international standard of a duty free
- ☒ Should offer selling commission for the staffs
- ☒ Should recruit new people in required positions
- ☒ Should recruit knowledgeable and well trained internal auditors

- ☒ Should train up existing sales staffs
- ☒ Should bring more international brands preferably in perfume section.
- ☒ Should increase the number of items in sales
- ☒ Should look for opening up new outlets at national and international level
- ☒ Should offer schemes or gifts for customers on special occasions
- ☒ Should arrange some advertisements from renowned brands' principles.

## **Summary of the project**

There are two parts in my project. One is understanding the total duty free market of Bangladesh. And the other part emphasized on how Sarban Duty Free Shop will remain competitive in a growing market where new competitors are enrolling fast.

## **Objective of the report**

1. To present an overview of Sarban International.
2. To identify opportunities & challenges of Duty free industry in Bangladesh.
3. To gain knowledge on duty free industry
4. Besides fulfilling the degree requirement, the study intends to cover a comprehensive analysis of overall activities.
5. To fulfill the requirement of the MBA Program

## **Methodology**

Methodology includes direct observation, face-to-face discussion with officers or employees of different departments, study of files, circulars, etc. and practical work. In preparing this report, both primary and secondary sources of information have been used and to analyze those data Excel have been used.

## **Data Collection**

### **☒ The primary sources are-**

- Financial & sales reports of the company
- Direct communication with the clients
- Direct communication with duty free business owners and staff

### **☒ The secondary sources are-**

- Searching related information from Internet
- Different publication regarding Duty free concept and data.

## **Data Analysis**

Data is analyzed with the help of Microsoft excel by using charts and graphs. This Analysis of the data helps to find out the growth and opportunities of the company within it's own industry. BCG matrix theory and SWOT analysis is used in the analysis.

## **Limitations**

During the internship program the limitations of gathering data were as follows:

- ✧ As I am not getting any break from my work for writing this report it became hard for me to submit the report on the due date. It created a big pressure on my report making.
- ✧ As my company is new and it does not have any kind of publication regarding their functions, it was a real hard job for me in collecting all kind of information.
- ✧ Since, my company owners don't want to leak their information regarding their business, I couldn't find the real secrets and in-depth information.
- ✧ I had to collect much information from my head office and staffs from there are not very cooperating and they also have to remain busy in their respective work.
- ✧ Every organization has their own secrecy that cannot be revealed to others. Confidentiality of data was another important barrier that was faced during the conduct of this study.

## **Description of the project**

### **Duty Free Industry In Bangladesh**

In Hazrat Shahjalal(R) International airport there are seven duty free shops, three is run by Bangladesh Parjaton Corporation(BPC) and other four are run by private owners namely Sarban Duty Free Shop, Rangs Duty Free, Skylux, and Fu Wang duty free.

Country like Bangladesh need more duty free shop to earn foreign currency. It can be another source to earn foreign currency after exporting man power. Recently two more shops got permission for operating duty free in Hazrat Shahzalal (R:) International Airport. It will increase the reserve of foreign currency for Bangladesh.

### **Opportunity of Duty Free Industry**

Bangladesh is a developing country both in nation wide and in aviation side. Biman Bangladesh Airlines (BG) is the only national flag carrier and some private airlines are United Airways, Regent Airways. Although Biman Bangladesh airlines is national carrier but it has shortage of aircraft. For this reason it decreases different routes. That's why not that much passenger are transiting in Bangladesh. As a consequence Duty free concept isn't growing that much. But in the last three years picture has changed.

Historically, over the past 60 years, the growth of global duty free trade has exceeded that of most other industries whilst in 1947 global duty free sales totalled a few hundred thousands US dollars, in 2007 this figure had risen to US\$ 34 billion.

Throughout the years the business has faced numerous challenges, usually of economic or political nature. The economic turmoil in Asia in 1997/98, the abolition of intra-EU duty free



sales in mid-1999, 9/11 and SARS are examples of major events that had a severe impact on the business with sharply declining turnover figures in the geographical areas concerned. This industry's ability, however, to overcome those obstacles and adopt to new challenges in an ever changing business environment is well-known. Thanks to a steady in-flow of creative and innovative thinking, based on 60 years of experience among the trading parties involved, the future outlook for a steadily growing global duty free and travel retail business cannot be described as anything but bright.

Although constraints on growth historically have been many, travel is still the main engine force behind all travel related consumption. In addition, duty free sales have been driven by several factors, such as:

- A considerable increase in the number of travellers using air transportation.
- Greater awareness among travelling consumers about the existence and advantages of duty free and travel retail shops.
- Increased professionalism among shop operators in how to meet consumer demand (improved store designs, merchandising, etc.).
- Awareness among airport owners and authorities of the potential of duty free as a source of additional (non-aeronautical) revenue.

During the 1990's the strong annual double-digit growth that this industry had experienced in the previous decades came to a halt. From 1995 up until 2003 the global travel retail market remained basically flat, at or around US\$ 20 billion annually. Events such as the Asian economic crisis of 1997/98, the abolition of intra-EU duty free sales in 1999, 9/11 in 2001, SARS and the Iraq War have hampered this industry's growth and put it in long-term defensive mode.

In 2007 the global duty free and travel retail market grew by 17.2% from US\$ 29 billion in 2006 to US\$ 34 billion and by 11.8% in local currency units. All of the main product categories showed increases. In terms of markets, Europe was up 18.0% to a market share of 42.1%; followed by Asia Pacific up 17.1% to a market share of 26.9%; The Americas up 14.2% to a market share of 23.7%; the Middle East up 24.7% to 6.0% in market share; and Africa up 20.3%

to a market share of 1.3%. Sales by channels saw airport shop sales rise by 22.3%; Ferries decline by 23.0%; airlines rise by 14.5%; and 'other shops and sales' by 12.6%.

## Some data regarding the opportunity of duty free industry world wide

### Markets vs Product Groups 2009

(In %)

	WINES SPIRITS	& FRAGRANC E & Cosmetics	TOBACCO	LUXURY goods	CONFECTI ONARY & FINE FOODS	TOTAL
Europe	18.7%	35.4%	10.7%	22.8%	12.4%	100%
Americas	15.5%	26.8%	3.2%	46.8%	7.8%	100%
Africa	19.1%	40.7%	15.6%	20.8%	3.9%	100%
Asia & Oceania	17.4%	29.0%	7.1%	40.0%	6.5%	100%
Middle East	11.9%	24.1%	8.4%	44.8%	10.7%	100%
<b>TOTAL WORLD</b>	<b>17.1%</b>	<b>30.8%</b>	<b>7.8%</b>	<b>35.0%</b>	<b>9.3%</b>	<b>100%</b>

(In US\$ millions)

Europe	2,485.0	4,718.0	1,420.9	3,042.5	1,654.8	13,321.1
Americas	1,210.4	2,095.2	247.3	3,666.7	608.0	7,827.5
Africa	105.7	224.7	86.0	114.9	21.5	552.7
Asia & Oceania	1,790.8	2,992.5	737.5	4,127.4	672.7	10,320.9
Middle East	295.9	597.8	209.1	1,109.2	265.8	2,477.7
<b>TOTAL WORLD</b>	<b>5,887.7</b>	<b>10,628.1</b>	<b>2,700.8</b>	<b>12,060.7</b>	<b>3,222.7</b>	<b>34,500.0</b>

Source: Generation Research, Sweden

### Table: Market Vs Product Group

## Markets vs Sales Channels 2009

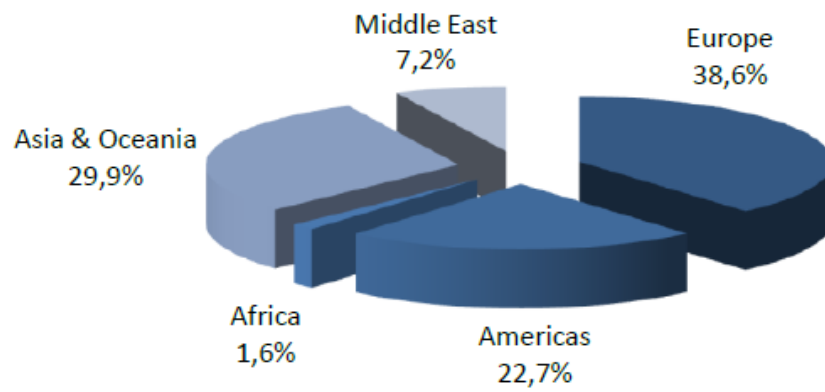
	Airport Sky shops	Airlines sea shop	Ferries	Other shops	Total
<i>In US\$ millions</i>					
<b>Shops</b>					
Europe	9,664.9	1,179.3	2,055.2	421.6	13,321.1
Americas	2,633.6	377.2	81.2	4,735.5	7,827.5
Africa	431.7	73.7	26.5	20.8	552.7
Asia & Oceania	5,875.1	624.1	0.0	3,821.7	10,320.9
Middle East	2,070.9	131.4	0.0	275.4	2,477.7
<b>TOTAL</b>	<b>20,676.2</b>	<b>2,385.8</b>	<b>2,163.0</b>	<b>9,274.9</b>	<b>34,500.0</b>
<b>WORLD</b>					

<i>In %</i>					
<b>Shops</b>					
Europe	46.7%	49.4%	95.0%	4.5%	38.6%
Americas	12.7%	15.8%	3.8%	51.1%	22.7%
Africa	2.1%	3.1%	1.2%	0.2%	1.6%
Asia & Oceania	28.4%	26.2%	0.0%	41.2%	29.9%
Middle East	10.0%	5.5%	0.0%	3.0%	7.2%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>WORLD</b>					
<i>Source: Generation</i>					

Table: Market Vs Sales Channel

## Regions

### Duty Free & Travel Retail Sales Market Share by Region 2009



**Fig: Market Share by region**

## **Problems and Threats for Duty free Industry in Bangladesh**

In Bangladesh the biggest problem for any industry is corruption. Different kind of corruption goes with these duty free shops in the airport. Even duty free staffs are harassed for not smuggling these duty free products outside.

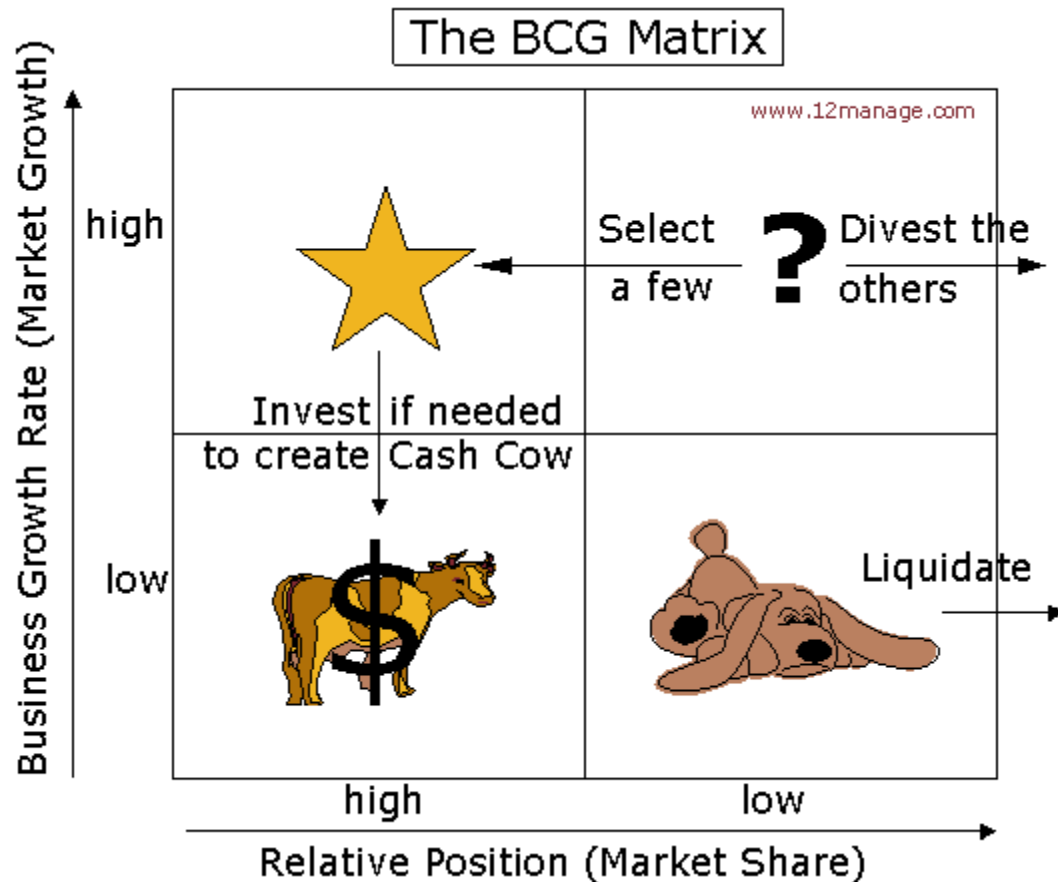
This is not easy to get the permission for doing any business in the airport. And when it's a duty free business it's almost impossible. Our company got that permission almost 30 years back. But it could manage to start the business only nine years back. This is only because of bureau crating problems. A businessman should have strong political backing for getting this permission. Moreover, in 1985 a law had been made where this duty free shops ownership are prohibited for private business holder. It'll be only run by Bangladesh Parjatan Corporation according to that law. Only recently, this rule was withdrawn.

Another thing is that, Bangladesh aviation industry is very poor. only four airlines are from this country, among these Bangladesh Biman is run by govt. In this country very few international airlines made their destination. For making duty free industry larger a country must attract many international airlines.

# ANALYSIS

In my final project of internship I have done the analysis of Sarban Duty Free. Here I did two type of analysis; first one is with the help of BCG Matrix. And the second one is SWOT analysis in which I examined the strengths, weakness, opportunities and threats faced by Sarban.

## BCG Matrix



**Fig. BCG Matrix**

This was not difficult for me to find that where Sarban Duty Free Shop falls in BCG matrix. It falls in Stars situation because Stars generate large amount of cash because of their strong relative market share, but also consume large amounts of cash because of their high growth rate; therefore, the cash in each direction approximately nets out. If a star can maintain its large market share, it will become a cash cow when the market growth rate declines significantly. The

portfolio of a diversified company always should have stars that will become the next cash cows and ensure future cash generation.

## SWOT Analysis

SWOT stands for strengths, weaknesses, opportunities and threats. This is the analysis related to the strengths which Sarban Duty Free proudly have, weakness of Sarban Duty Free, opportunities which Sarban Duty Free can avail to prevent from the threats faced to the company and the weaknesses of the company. The reason to do this analysis is to find out that, what are the strengths of the company which can overcome the weaknesses of the company and to determine the opportunities which can company avail to prevent the threats to the company. I will individually examine the strengths, weaknesses, opportunities and the threats faced by Sarban Duty Free here.

STRENGTHS	WEAKNESSES
<p><i>S1 Honest and Reliable Employees</i></p> <p><i>S2 Cheapest Duty Free in the World</i></p> <p><i>S3 Biggest store in the airport</i></p> <p><i>S4 Experience (Pioneer pvt duty free)</i></p> <p><i>S5 More variety in products</i></p> <p><i>S6 Goodwill</i></p>	<p><i>W1 Centralized Decision Making</i></p> <p><i>W2 Not offering Schemes regularly.</i></p> <p><i>W3 Lack of adequate employees</i></p> <p><i>W4 Corrupted Environment</i></p> <p><i>W5 Lack of big branded items(dior, channel)</i></p>
OPPORTUNITIES	THREATS
<p><i>O1 Innovative and modern customer service</i></p>	<p><i>T1 New Competitors are jumping regularly</i></p> <p><i>T2 Rules and regulations</i></p>

<i>O2 Retaining vast customers</i>	<i>T3 Lower salary structure</i>
<i>O3 Special image</i>	<i>T4 competitors are coming up with bigger</i>
<i>O4 Good Relationship with High Level</i>	<i>branded items.</i>
<i>bureaucrats.</i>	

### **Strengths:**

The company has built up goodwill in the market of Dhaka duty free for the last nine years.

The company has the largest market share in the industry.

Sarban duty free is well known to almost every regular flyer that takes off from the country and is very famous in Duty free industry.

The company offers a wide range of products including tobacco, liquor , perfumes, cosmetics luxury branded items that attracts duty free customers.

A large number of models are available in the range of every product of the company.

The company is having a number of old employees who are committed and loyal with the company.

Prices for the most of the items are cheaper than any international duty free store. Probably this is the biggest strength for Sarban duty free.

Sarban got the biggest space for their store comparing to other domestic competitors. It helps Sarban to display more variety of items for sales. Flyers always prefer Sarban for this. It also helps Sarban to convince any big company as we approach big brands for selling their products.



**Weaknesses:**

The advertisement budget of Sarban is very short comparatively to other competitors in the market.

Most of the managerial staff is not well educated.

The salaries of management staff are very low due to which the well educated and experienced people does not come for the job in company.

The company has not developed the proper promotional strategies to retain the old customers.

The process for decision making is centralized. So it made the process tough and lengthy. Sales staff and the persons who are directly involved in dealing with customers are discouraged in this process.

Duty free stores offer schemes every now and then on different items throughout the world. But Sarban started this marketing approach very shortly. Still it is not offering schemes very regularly and attractively.

Lack of highly educated and experienced staff is making the way tough. Duty free experts are required on top level management. It will help them to make good deals in purchase. Duty free experts can convince any big brand easily. Lack of having big brands like Dior, Channel, Prada, Gucci, Hermes, Louis vuitton is a big failure for Sarban.

Corruption increases Sarban's miscellaneous cost significantly. Bribe is a common thing in the environment that Sarban is doing business.

**Opportunities:**

Sarban Duty Free should appear in the international exhibitions. It is a big opportunity for the company to create a good relationship with big brands through which company will be able to bring these brands in Sarban Duty Free.

Innovative and modern customer service can make customers permanent for Sarban duty free. Introducing point wise discount card system will help them to retain old customers.

## **Threats:**

Some of the other competitors of Sarban Duty Free are offering the same products at relatively lower price.

A good number of new incoming companies are increasing the competition in the market.

Rules and regulation are changing frequently for this sector. Customs authority is imposing new baggage rules, duty free allowances have been modified by different countries which are restricting our customers from buying more. It has been affecting our sales directly.

Competitors are offering better salaries. As new big competitors are joining our industry, there is always possibility of shifting employees to a better offer.

Some of the competitors already managed to shelf big branded items which Sarban duty free could not do in a longer period. New items can easily take away our permanent customers.

## **MARKETING ANALYSIS**

In this project, I have included the marketing analysis, in this analysis I examined that which of the marketing strategies Sarban Duty Free is using to maximize the sales of the company. Here I am doing these three analysis related to the sales of Sarban Duty Free one by one.

### **Marketing Strategies:**

Marketing strategies are the marketing logic by which the business unit hopes to achieve its marketing objectives. The strategic plans define the company's overall mission and objectives. Marketing's role and activities summarize the major activities involved in managing marketing strategy and the marketing mix. Next comes, marketing strategy-the marketing logic by which the company hopes to achieve these profitable relationships. Through market segmentation, targeting and the positioning, Sarban Duty Free decides which customers it will serve and how. It defines the total market, then divides it into smaller segments, and focuses on serving and satisfying customers in these segments.

### **Customer-Centered Marketing Strategy:**

In today's competitive marketplace, companies' needed to be customer centered. They must win customers from competitors, then keep and grow them by delivering greater value. But before it

can satisfy customers, a company must first understand their needs and wants. Thus, sound marketing requires a careful customer analysis.

Sarban Duty Free knows it is not profitable to serve all consumers in a given market-at least not all customers in the same way. There are so many kinds of customers with so many different kinds of needs. And most companies are in a position to serve some segments better than others. So Sarban Duty Free has divided the total market, chosen the best segments and designed strategies for profitably serving the chosen segments. This process involves three steps, which are:

Market Segmentation

Target Marketing

Market Positioning

Now these are explained individually here:

## **Market Segmentation:**

Dividing a market into distinct groups of buyers who have distinct needs, characteristics, or behavior and who might require separate products and marketing mix. Rather than Sarban Duty Free offers the same marketing mix to vastly different customers, market segmentation makes it possible for Sarban Duty Free to tailor the marketing mix for specific target market, thus better satisfying the customer needs. Not all elements of marketing mix are necessarily changed from one segment to the next. For example, in some cases only the promotional campaigns would differ.

A market segment should be:

Measurable

Accessible by communication and distribution channels

Different in its response to a marketing mix

Durable (Not changing too quickly)

Substantial enough to be profitable

Sarban Duty Free has segmented by various bases. A basis for segmentation is a factor that varies among groups within a market, but that is consistent within groups. Sarban Duty Free has segmented the market on the following bases:

## **Geographic Segmentation:**

Geographically Sarban Duty Free segmented the world market as that, the company normally focuses on the Bangladeshi, Indian and Chinese customers for whole of its products. This market is the target segments of Sarban Duty Free. They make the segments of the whole world market and then decide to focus on these segments.

## **Demographic Segmentation:**

Sarban Duty Free divides the market for different products on different way. There are lot of segments of market on the bases of demography, like; on the bases of gender, age, education, occupation, income and family status. Sarban Duty Free has to choose the different segments for their different products. For every product of the company there is different segment. For example, Disney perfumes are segmented on the basis of age (3years-15years children). On the other hand alcoholic beverage and tobacco items are for over 21years and 18years respectively. Perfumes are segmented basically on the basis of gender, age, income and family status.

## **Psychographic Segmentation:**

On the bases of psychology the company has made the segment on the bases of lifestyle, values and attitude. There is different level of products for different status people. This segmentation based on the lifestyle and family status. As many Muslim fly from the airport, they will never buy alcohols. Even Sarban Duty Free have avoided using some poster advertisements (Lady Gaga, CK) for exposing too much for our perfume section thinking of the values (conservative) that most of the subcontinent customers carry.

## **Behavioral Segmentation:**

This segment of the company is based on the purchase frequency, brand loyalty, price sensitivity and benefits of the product. For example, customers who consume Benson & Hedges will never think of consuming other brands of cigarettes.

## **Target Marketing:**

Target marketing involves breaking a market into segments and then concentrating your marketing efforts on one or more key segments. Target marketing can be the key to success for a small business. The beauty of target marketing is that it makes the promotion, pricing and distribution of your products and/or services easier and more cost-effective. Target marketing provides a focus to all of your marketing activities. When Sarban Duty Free has defined the market segments, it can enter one or more segments of a given market.

There are different market segment for the different products of Sarban Duty Free, and the company target individually on the different segment of the different products. Here I am showing the target market for different products of the company:

## **Liquor/Spirit/ Alcoholic beverage:**

Sarban Duty Free can make the marketing strategy for whole of the market, but in the promotional strategies the company focuses on continuous supply of cognac in cheaper price for Chinese customers, single malt and deluxe whiskeys with free gifts for Indian/ Bangladeshi/ Nepali customers. So in these SBUs the target market of the company is the Chinese and the Indian/ Bangladeshi/ Nepali. And there are different types of liquor items for the different status people and having different lifestyles. The company makes the promotional strategy for the whole market of Bangladesh duty free.

## **Tobacco:**

In this range of the SBUs the company's target market are individual smokers of cigarettes and cigar from different status and lifestyle. Here besides the company let the customers know about different brand of cigarettes it makes sure the message "tobacco is harmful" is passed to customers.

## **Perfume/ Cosmetics/ luxury branded goods:**

These products are information/price/brand sensitive. Dedicated service persons are required for this. Sarban duty free has it's own beauty expert for perfume and cosmetics items.

## **Market Positioning:**

Market positioning is the arrangement for a product to occupy a clear, distinctive and desirable place relative to the competing products in the minds of the target consumers. Positioning is a perceptual location. It's where your product or service fits into the marketplace. Effective positioning puts you first in line in the minds of potential customers. Positioning is a powerful tool that allows you to create an image. And image is the outward representation of being who you want to be, doing what you want to do, and having what you want to have. Positioning yourself can lead to personal fulfillment. Being positioned by someone else restricts your choices and limits your opportunities.

That's why it's so important for Sarban Duty Free to transform their passion into a market position. If the company doesn't define its product or service, a competitor will do it for you. So the company's position in the market place evolves from the defining characteristics of their product. The primary elements of positioning for Sarban Duty Free are:

**Pricing:** The prices of the product are cheaper due to which the people are converting to buy from Sarban Duty Free rather buying from international competitors. It is necessary for getting the positioning in the minds of the consumers to set the lower prices of the products than competitor's products.

Quality: Quality of the products matters a lot. If your product is satisfying the consumer quality wise then it is possible to get the higher sales. Some of the Sarban Duty Free's products are quality wise very well due to which they earn a lot of the revenue for the company. The quality of tobacco item of Sarban Duty Free is fresh and very satisfying to the customers due to air shipment of the product.

Service: Superior customer service is the key for all success of a duty free store. The staffs are well trained for this. Workshops and training are arranged regularly to improve sales staffs knowledge about products.

## Findings:

Sarban Duty Free is poised to offer top quality spirits, tobaccos, fragrances, cosmetics, electronics and luxury gifts such as leather goods, wallet, pen, jewelry and a multitude of specialty items. Sarban Duty Free offers top line merchandise by Supply Centre, Brown foreman, Jim Beam, Camus, Ruffino, Adet, Mont blanc, Absolut, Bacardi, Johnnie Walker, Chivas, Henkell, Lanson, BVLGARI, Calvin Klein, coty prestige, Burberry, Salvarto Ferragamo, Disney, B& H, Marlboro, Thong Huat, Davidoff, Villiger, King Edward etc. When passengers prepare for international travel from Dhaka airport they always think about Sarban Duty Free.

Sarban Duty Free has achieved excellence through our dedication, attractive store layout, exciting displays and creative marketing and merchandising strategies. Sarban Duty Free proudly seeks and brings to our customers the world's most prestigious brands and presents them in a manner befitting of the exceptional reputations these brands have attained.

Sarban Duty Free has an extensive assortment of liquors, tobacco products, fragrances, cosmetics, fine jewelry, fashion accessories, leather goods free of all duties, sales and excise taxes. Sarban Duty Free Buyers are aware of new merchandise, improved merchandise, geographic diversity, seasonal needs and shopping trends of the international traveler. Sarban Duty Free offers our leisure and business travelers the opportunity to purchase for themselves or gifts for others all at a significant savings. Sarban Duty Free has competitive advantage on its product range, big brands and Price.

Sarban Duty free is the pioneer as a private duty free store in Dhaka airport. Sales growth was outstanding till couple of years back. Opportunity of duty free industry in this port was just flourishing at that time. Realizing the opportunity many competitors have arrived within a short time. Due to some political unrest the business was down from 2012. By the next year three competitors RANGS, Skylux and Fu wang arrived into the market. They put some bites in Sarban's market share. For any store the place is important. As the new runners' place is convenient for the passengers, many of them are buying from them. Sarban is losing many of their customers for this reason. Rangs and Skylux brought much more collection in perfume section, though Sarban has much better collection in tobacco and alcohol section. The main advantage of Sarban is it has much bigger space than the others. Stock management is the other concern that Sarban need to concentrate. Sarban has attracted many regular flyers through its attractive price and variety in collection. But recent domestic competition made it tough for them. Still Sarban is the market leader in the airport.

# Recommendation

Based on the evaluation of different aspects of Sarban Duty Free, the following recommendations have been made:

- ☒ Recommendations
- ☒ Should do the invoicing with modern equipment
- ☒ Owners shouldn't look for the short term profit, rather they must think about long term profit.
- ☒ Should increase the salary of employees up to an international standard of a duty free
- ☒ Should offer selling commission for the staffs
- ☒ Should recruit new people in required positions
- ☒ Should recruit knowledgeable and well trained internal auditors
- ☒ Should train up existing sales staffs
- ☒ Should bring more international brands preferably in perfume section.
- ☒ Should increase the number of items in sales
- ☒ Should look for opening up new outlets at national and international level
- ☒ Should offer schemes or gifts for customers on special occasions
- ☒ Should arrange some advertisements from renowned brands' principles.



Some recommendations to our government are given below for building this industry more strongly

- ☒ Easing the rules & regulations for the industry
- ☒ Granting permission for private investors, who are capable of running a duty free
- ☒ Should take some steps for making aviation industry bigger than what it is now. It'll help to increase the sales of duty free.
- ☒ Should attract more international airlines for making our country's airport their destination for transiting their passengers for South Asia. It'll boom the sale of this industry.
- ☒ Some customs rules should be modernized to minimize the system loss and corruption, like in many develop country goods purchased by passengers are delivered into the aircraft to make it sure that duty free goods are not smuggled out of airport by some staffs of airport.
- ☒ Should increase the number of customs officers for investigating these duty free shops and items

## Conclusion

Bangladesh is a developing nation. It's economy mainly depends on it's one or two main industry, which is clearly not a good sign. It must take necessary steps to build some more industry which will help the country to grow with a double digit.

Dubai duty free can be the best example to define the opportunity of this sector anywhere in the world. In 2008, it celebrated its 25th anniversary on 20th December which was a testimonial to its business that grew from 20 million USD in 1984 to 1.1 billion USD in 2008. If Dubai well known in the tourism industry that is because it of the tax free shopping benefits it offers to its visitors. Keeping these figures in mind our govt. should look at this industry with proper care within no time. Now a day's Government is trying to develop our tourism industry. For this I want to say, development is a continuous process. Development of few without the development of vast majority is not meaning full. So, Government should look at duty free industry, aviation industry and tourism industry by making these a whole industry.

As a duty free shop Sarban Duty Free Shop has earned the reputation of top level operation in the respective industry in Bangladesh. The organization is much more structured compared to any other duty free shop in Bangladesh. It's growing at almost Hundred percent in each year from it's very beginning. With a bulk of qualified, honest and experienced human resource, Sarban Duty Free Shop can exploit any opportunity in this sector. It is pioneer in introducing many world famous brands in this sector of the country. Sarban management should not stay satisfied with this growth rate, rather they should look for further growth by setting up new outlets in national and international airports. This shop is representing many brand items, but one day it'll become a brand name all over the world and passengers will ***“SHOP.....BEFORE THEY TAKE OFF!!!”*** ..... which matches with its corporate slogan.

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